

Bank of Austria. The Emperor, in issuing the imperial patent for the establishment of the bank, invoked the public confidence by declaring that he had from the first desired to re-establish order in the standard of value, but that the violent shocks which had rent Europe asunder had involved Austria in a series of difficult wars, in which the preservation and the independence of the monarchy became dearer than mere questions of finance. He pledged himself to the people that no new paper money should be put in circulation and that the withdrawal of that already out should be confided to a national privileged establishment.¹

A party of capitalists was formed after some delay and the statutes of the National Bank of Austria received the Imperial approval on July 15, 1817. The bank was accorded for twenty-five years the exclusive privilege of note issues, was exempted from the stamp taxes, and was authorized to accept deposits and discount commercial paper. The entire capital was to be 110,000,000 florins (\$55,000,000) in shares of noo florins each, paj^able 100 florins in silver and 1000 florins in paper. The bank was able to dispose of only 50,621 shares, from which the proceeds were \$2,600,000 in silver coin and \$29,000,000 in paper. The government took up and destroyed the paper and issued an equal amount of securities bearing interest at the rate of two and a half per cent. As the notes were depreciated to one-third of their nominal value, this amounted to seven and a half per cent, upon the real capital realized, which was about \$12,300,000 (\$2,600,-ooo in coin and \$9,700,000 in the coin value of the paper). The services of the bank in restoring confidence and business activity were further compensated by permission to issue a quantity of notes which the government pledged itself to accept as cash without the privilege, which was accorded to individuals, of demanding redemption in coin. The government showed its good faith by devoting to the retirement of the paper money a part of the war contribution paid by France, and 131,829,887 florins were soon withdrawn

¹ Noel, I., 345-46.